I & C

App. F. IX-4

Previous References

1939.
(Ire)

File No. 149-39
Serial Nos. 1-4

Later References.
I&C. Dep. 167/40.
Ire. Dep. 1/41

(20)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Four

Part B for Nov. 39

SUBJECT.

Grant of facilities for starting a Sheep Breeding and Woollen Industries Association at Chitaldrug on Joint-Stock basis

Slg) No D 2375 dated 8.11.39

To R. S. Vijaghiragopala, Esqr

WD 0573—GPB—22,500—12-9-39

Govt. regret their inability to participate in the Scheme.

15/11

Grant of facilities for starting a Sheep Breeders ~~Dairy~~ and woollen industries D. at Chitaldrug as a joint Stock Co.

11-5

General and Revenue Secretariat. File No. 149 of 1939. [App. F. III-2

Serial No.	
1	From the Chairman of the Provisional Committee Chitaldrug. Letter Dated 31-8-1939 Requesting the grant of certain facilities for starting a joint stock Co. at Chitaldrug for breeding sheep & goats and manufacture of woollen goods. Dewan's orders on the note: 1) "Note and file" Dated 1-9-39 2) First Members Orders thereon:- "May be sent to Dir. Vet. for a very early report". Dated 4-9-39 3) Draft letter to Dir. Vet. 4) Issued 4-9-39
2	To the Dir of Vet D 1321. 6-9-39 Forwarding a copy of the representation for an early report.
3	From the Dir. Vet No. AH 40/39-40 of 22-10-39 Furnishing his opinion on the Scheme of Messrs. S. Vijalingappa, Bhimappa Naik & others for starting a Sheep Breeders & Woollen Industries Works at Chitaldrug on joint Stock basis

NOTE-Contn. Sheet.

Facilities for a Muslim Brethren need
Woollen Industries Investigation
Chairman

File No. 449 of 1939. General and Legislative Secretariat.

Serial No.

5) The Dir. considers that not only
none of the provisions of the scheme belong
to the "Congress Party" but that the scheme
as it is neither well considered nor is it in
the interest of the industry. He reports
that, for want of an insight into the
working of the Industry on the part of
the promoters, the enterprise is not
likely to prove a success. He therefore
respectfully that Govt. need not participate
in the scheme but if the Co. is necessarily
established Govt. may grant a
free site, if available and purchase
the products of the Co. if the quality
and price are satisfactory.
6) Submit for orders. Agree paras 1 & 2

27/10

Dw by)

27/10/39

7 Mr
29/10

Member)

8 Mr
31/10/39

Mr
31/10

OCT 30 1939 No. 4129

27 OCT 1939 GOVT. OF MYSORE

Grant of facilities to the Sheep Breeders and Woollen Inds. Assn Chitaldrug

1729

General and Revenue Secretariat. File No. 149 of 1939 [App. F. III-2

Serial No.	
	9 Draft reply to the Minister given to Orderly. 10 Jan 1/11 Reply 1/11
4	To. S. Nijalingappa Esqr. B.A. LL.B. Chitaldrug. D 2375. 8-11-39. Informs him that Govt regret their inability to participate in the scheme. Copy to the Dirg Sric. D 2376. 8-11-39

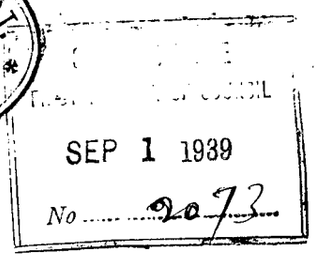
GEN. & REVENUE SECT.

GEN. & REVENUE SECRETARIAT. 11 NOV. 1939 DEVELOPMENT BRANCH. 8/11/39

NOTE–Contn. Sheet.

Dk 149-39-1

4



Early

To

Amin-ul-Mulk Sir Mirza M.Ismail, K.C.I.E.,O.B.E.
Dewan of Mysore, B a n g a l o r e.

Sir,

I am sure you are aware by now that a large number of people interested in the woollen industry including spinners and weavers of Kumbli and persons owning flock of sheep have come to a decision that an incorporated concern for the organisation, production and sale of Kumbli, rugs &c., is an obsolute necessity, to safeguard the interests, and to improve the economic condition of the actual spinners and weavers.

The first meeting in this connection was held under the Presidentship of Mr.N.S.Hiranniah, M.A., on the 23rd December 1938 at Chitaldrug and there was a representative gathering of the concerned people. In that meeting Mr. A.P.Rau, the Senior Weaving Inspector explained the pros and cons of the Industry as it exists now and of the desirability for an organisation.

Subsequently, number of meetings have been held and people from other districts also have taken part in those meetings. It is now definitely decided that an incorporated company called "Mysore Sheep Breeders' and Woollen Industries Association Ltd.," should be started with an authorised capital of ten lakhs of rupees (Rs.10,00,000/-) divided into one lakh of shares at ten rupees each.

The promoters wanted to approach you early in the matter, but on 13th May 1939 the First Member of Council, Rajamanthrapravina N. Madhava Rau, Esqr., B.A.

had come to Chitaldrug, in connection with the District Conference, when myself and some other members interested in this Industry interviewed him and he was kind enough to promise all possible support from Government.

The memorandum of Association of the proposed company are almost completed and we feel unless Government promise substantial support we may not be able to achieve the objects to the desired extent.

The file is herewith enclosed for your kind perusal, with a memo of concessions sought for from the Government of Mysore. The promoters feel that unless there is a personal discussion with you of the several aspects involved regarding this industry and of the concerned proposed it may not be possible for Government to come to any definite decision regarding the several concessions to be granted.

Mr. M.S.Ramachandra Rao, B.A., the Director of Industries and Commerce, has been promising to go over to Chitaldrug, but could not do so owing to ill-health. He has promised to go over to Chitaldrug early next month.

The promoters are very anxious to have an interview with you in order to secure the several concessions noted in the memo and also to get your valuable suggestions in the matter.

As this industry is one of the major industries in the State we feel that it is imperative it must be organised properly with a view to promote not only the industry but also well-being of nearly 4 lakhs

of poor people (Kurubars) carrying on this cottage industry.

We therefore request you that you will kindly fix up a convenient date for the following promoters to have an interview with you.

The favour of an early reply is solicited.

Yours Sincerely,

Chairman,
Of the Proposed The Mysore Sheep Breeders' and woollen Industries Association,
C h i t a l d r u g.

Chitaldrug,

Dated 31st Aug.1939.

Messrs:-

1. S. Nijalingappa, B.A.,LL.B.,
2. A. Bheemappa Naik, B.A.,
3. B. Chinnobiah,
4. G. Hanumanthappa,
5. Sri. Gaddappaiah,
6. G. Ramaiah,
7. B. T. Shankarappa
8. Dummi Thipperudrappa,

A TYPICAL CASE FOR 100 LOOMS IS WORKED OUT FOR GIVING AN IDEA OF THE NATURE OF PROFIT ON THE CAPITAL OUTLAY.

--:o:--

	Per one Kambli	Per 100 kamblies.
Raw materials of wool at 2½ annas per lb. for 4 lbs.	0-10-0	Rs.62- 8-0
Labour for spinning 3½ lbs. of wool	0-14-0	" 87- 8-0
Labour for weaving &c.,	1- 8-0	"150- 0-0
Total cost	Rs. 3- 0-0	"300- 0-0
Selling price at Market rate	" 4- 0-0	"400- 0-0
Gross profit for an outlay of Rs.3/- and Rs.300/-	Rs. 1- 0-0	"100- 0-0

Average 6 kamblies are produced for one month in one loom.

	Per month 6 kamblies	Per year 72 kamblies	and for 100 looms per year. 7,200 kamblies.
Cost price	Rs.18/-	Rs.216/-	Rs.21,600/-
Selling price	" 24/-	" 288/-	" 28,800/-
Gross profit	Rs. 6/-	Rs. 72/-	Rs. 7,200/-

Expenditure of a loom for 72 kamblies for one year.

Interest at 5% ...	Rs.10/-		
Depreciation ...	" 2/-		
Advertisement ...	" 3/-		
Office Estt. ...	" 8/-		
Contingencies ...	" 1/-		
Commission ...	" 6-8		
Total.-	Rs.30-8-0	30-8-0	Rs.3,050/-
Net profit		41-8-0	Rs.4,150/-

Making allowance for unforeseen expenditure on operating and experiment for one loom per year ... Rs.7-8-0
Reserve fund ... 2-8-0

Total.-	Rs.10-0-0	10-0-0	Rs.1,000/-
Net profits to be declared as dividents.		Rs.31-8-0	Rs.3,150/-

Therefore the company can declare 14½% dividend to the share-holders. Now the whole profit is going to Middlemen merchants and not to kurubars and shearers.

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Appendix F G—1]

SUBJECT.....

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Section I/C
File No. Mg-39
Serial No. 2

Diary No. of letter replied to.....

No. D/321

To
The Dir. I/C

Sir,

Rly. grant of facilities for starting a sheep Breeders and woollen industries Association at Chitaldrug on a joint stock basis.

I am directed to forward herewith, for favour of a very early report, copy of a representation made to the Dewan by the Chairman of sheep Breeders and woollen Industries Assn. Chitaldrug on the above subject.

I have the honour to be,
Sir,
Your most obedient servant,

General and Revenue Secretariat
( )
the 193 .

Date of issue 6/9/39

Signed by Mr Venkatachar 4gr

List of enclosures.....

Copied by.....

Examined by.....

KS
HS

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE 5

General and Revenue Secretariat

No. D 1321 / Le 149-39-2

Dated, Bangalore, 6th September 1939.

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

The Director of Industries and Commerce in Mysore,
Bangalore.

Sir,

Subject:- Grant of facilities for starting a Sheep Breeding and Woollen Induustries Association at Chitaldrug on a joint stock basis.

I am directed to forward herewith, for favour of very early report, copy of a representation dated 31st August 1939 made to the Dewan by the Chairman, Mysore Sheep Breeders and Woollen Industries Association, Chitaldrug on the above subject.

I have the honour to be,

Sir,

Your most obedient servant,

For Secretary to Government,
Development Department.

Als.

9k 149-39-3.

Tele { Phone No. 2004
Grams—INDUSCOM.

In reply please quote number, date & short title

GEN & REVENUE SECRETARIAT. 24 OCT. 1939 1729

GOVERNMENT OF MYSORE.

DEPARTMENT OF INDUSTRIES AND COMMERCE.

FROM (Name) M.S.Ramchendra Rao,Esq.,B.A.,
(Designation) Director of Industries and Commerce in Mysore,
Station Camp:Mysore.

To

P.H.Krishna Rao,Esq.,M.A.,
Secretary to the Government of Mysore,
Development Department,
Camp:Mysore.

No. A1.40/39-40.

Enclosures 4

Dated 21st October 1939.

SIR,

Subject: Grant of facilities for starting a Sheep Breeding and Woollen Industries Association at Chitaldroog on joint-stock basis.

With reference to your letter No.D.1321/I & C.149-39-2 dated 6th September 1939,forwarding for my report, a representation,in original,dated 31st August 1939,made by Messrs.S.Nijalingappa, Bhimappa Naik and others to the Dewan,requesting the grant of certain facilities and concessions to the proposed Mysore Sheep Breeding and Woollen Industries Association,Chitaldroog, to be organised by them on joint-stock basis, I have the honour to state that when I was at Chitaldroog on the 8th September 1939 I met these gentlemen and discussed the details of the scheme with them.

2. They propose to start a joint-stock company with an authorised capital of Rs 10,00,000 divided into 1,00,000 shares of Rs 10/- each with a view to improving qualitative and quantitative production of wool and manufacture of kamblis,rugs etc. and creating better marketing facilities for them.

3. The concessions and facilities which the promoters have requested of Government have been furnished in the enclosure to their petition to the Dewan,the more important of which are the

(PTO)

the following:

i) Purchase of 5,000 shares of Rs 10/- each by Government,

ii) Grant of a site, free of cost, for the location of office and ware-house,

iii) lending the services of an Officer, full-time, at the cost of Government to be in charge of the manufacturing and marketing departments of the Company,

iv). exemption to share-holders of the proposed company from the payment of "Hullu-Banni" for sheep and two goats for each flock of sheep and

vi) free advertisement and propaganda facilities to be afforded to the Company by the Government.

4. The company as proposed by the promoters partakes of the nature of a Trading Company, buying wool from the flock owners and arranging to supply it to Kurubar weavers and marketing the kamblis woven by them. This is likely to affect the existing economy of things, according to which, the kurubar weavers go and clip the wool from the flock maintained by the rearers and in return for the wool so obtained supply them with kamblis required for the use of their families for a year and utilise the remaining wool in making kamblis for the market.

5. None of the promoters of the company has any experience of the business either in trading in wool or in the manufacture of kamblis except perhaps one, Mr. Hanumanthiah who is working as a Contractor supplying wool to the Woollen Mills and purchasing kamblis woven by the weavers and disposing of them in the market, all of which he has been doing on his own account.

6. From what I gathered I find that the gentlemen who have sponsored the scheme have not got any idea as regards the working costs involved in large scale manufacture of kamblis, financial results of the undertaking, etc. It has been very difficult to get any detailed information from them on these points. The scheme as conceived by them is vague and is not likely to benefit those engaged in the industry as the proposed Company is in the

12

nature of a Trading Company and the attention of the promoters is likely to be concentrated more on making profits rather than - affording real help to the rearers of sheep and kurubar weavers.

7. One of the objects which the promoters have in view is the improvement of the breed of sheep in the District by supplying to the rearers improved breeds of rams etc. The Department of Agriculture has already done considerable work in this direction and in the furtherance of such work there may not be any harm in enlisting the co-operation of an organisation like the one under consideration. This Department is also taking action to introduce improvements in the methods of manufacture of kamblis and creating marketing - facilities for the weavers to dispose of these products.

8. As regards the various requests made by the promoters of the scheme, I have examined them in detail and am giving below my remarks against each of their requests:

Concessions requested by the promoters.	Remarks.
i) To purchase 5,000 shares at Rs 10/- each out of 1,00,000 shares.	As already stated the promoters of the scheme have no experience of the business, nor can they be expected to bestow undivided attention on the development of their undertaking and making it a success owing to their political proclivities. It is not therefore desirable that Government should associate themselves directly with such a company.
ii) Grant of a site, free of cost, for locating the office and ware-house etc. in a - convenient place at Chitaldroog and - concessional rates for light, power and water.	These may be made available to them subject to their starting work within a year from the date of grant of this - concession.
iii) Service of Departmental Technical - Assistants both of the Agricultural and Industries and Commerce Departments, free of cost.	Technical advice and assistance is already being rendered, free of charge. But the services of technical people of the Departments cannot be placed entirely at the disposal of the proposed company.
iv) Help from the Revenue department in the matter of booking flock owners and	

Concessions requested.	Remarks.
iv) and kurubars and to control export of wool.	This is neither possible nor desirable.
v) Share-holders of the proposed company to be given exemption from the payment of "Hullu-Banni" for sheep and two goats for each flock of sheep.	No such exemption can be granted.
vi) Grant of concession rates of Railway freight for transport of wool and woollen material of the company on the Mysore Railways.	This question will be examined by the Department and necessary assistance will be given to the extent possible.
vii) Grant of exemption to the company from the payment of income-tax, for a period of five years and free audit for the same period.	This request cannot be granted.
viii) No permission should be granted to a rival company that may be started on these lines.	No such guarantee can be given.
ix) Government not to undertake any concern for Manufacturing woollen products, collecting and marketing wool and woollen goods or in any way to deal in wool and woollen articles of the State independently of the company.	No such guarantee can be given.
x) Lending a full-time Officer at Government cost to be in charge of the technical operation connected with marketing and manufacturing.	This will not be possible.
xi) Grant of exemption to Government servants to become directors provided they hold the minimum shares.	This will not be possible.
xii) Treasuries in the State to be authorised to pay and receive the amount, deposits, sale-proceeds etc. relating to the transactions of the company.	This is unnecessary.
xiii) The dividends of the company may be exempted from income-tax.	This cannot be granted.
xiv) Free advertising and propaganda facilities for a period of five years.	This cannot be granted.
xv). Government to purchase all its woollen requirements from the proposed company.	This may be done to the extent possible if prices and quality are satisfactory.

9. One aspect of the question which I should like to place before the Government is that most of the gentlemen who have now come forward with this

(contd.).

this scheme belong to what is known as the "Congress Party" in the State and recently some of them would appear to have been involved in some kind of Satyagraha movement in the Chitaldroog District and dealt with under the Public Security and other Acts. These gentlemen seem to be actuated more by a desire to capture the electorate by promising them all kinds of imaginary relief, such as, whole-sale exemption from the payment of income-tax, "Hullu-Banni" for sheep etc. as can be seen from the list of requests made by them.

10. On the whole, I am of the opinion that the scheme as proposed by the promoters of the company is neither well considered nor sponsored entirely in the interest of those engaged in the industry. Nor is it likely that they would make a success of their undertaking owing to their divided attention between the proposed company and their political activities.

11. If the promoters rellay mean business and succeed in floating a joint-stock company and canvass sufficient financial and moral support from the public, there may be no objection to grant the proposed company a free site, if available, in the Chitaldroog and also as assurance to purchase the goods produced by them to the extent of the requirements of Government Departments, if prices and quality are satisfactory, as a gesture of Government's good will to the undertaking. Beyond this I do not think any other assistance is called for.

12. The enclosures sent with your letter under reference are herewith returned.

I have the honour to be,
Sir,
Your most obedient servant,

DIRECTOR.

SRS)

CONCESSIONS SOUGHT FOR FROM THE GOVERNMENT.

1. To purchase 5,000 shares at Rs.10/- per each share out of one lakh of shares.

2. To grant of free site for the operation of the company for locating office and ware-house &c., in a convenient place at Chitaldrug and concession rates of light, power and water.

3. Free departmental Technical Assistants both by the Agricultural and the Industrial Departments.

4. Help from the Revenue Department in the matter of co-operating with the efforts of this company for booking flock-owners and Kurubars and to control the export of wool.

5. The share-holders of this company may be given an exemption of payment of Hull-Banni for sheep and two goats for each flock of sheep.

6. Grant of concession rates of Railway freight for ~~transportion~~ transportation of wool and woollen material of the company of the Mysore Railways.

7. The company may be exempted from the payment of income-tax for the period of 5 years and free audit may be granted for 5 years.

8. No permission should be granted to a Rival company to be started on these lines.

9. The Government may not undertake any concern relating to collecting, karketting wool and manufacturing woollen products or in any way deal in wool and woollen articles of the State independently of the company.

10. Lending of a full time officer at Government cost to conduct to be incharge of the technical operation connected with marketting and manufacturing.

11. The Government may be given exemption to the Government servants to become directors provided they hold the minimum shares.

12. The Treasuries in the State may be authorised to pay and receive the amount, deposits sale-proceeds all moneys relating to the transaction of the company.

13. The dividents of the company may be exempted from income-tax.

14. Free advertising andpropoganda facilities may be given free of cost from Government for a period of five years.

15. Government may purchase from the Company all its woollen requirements.

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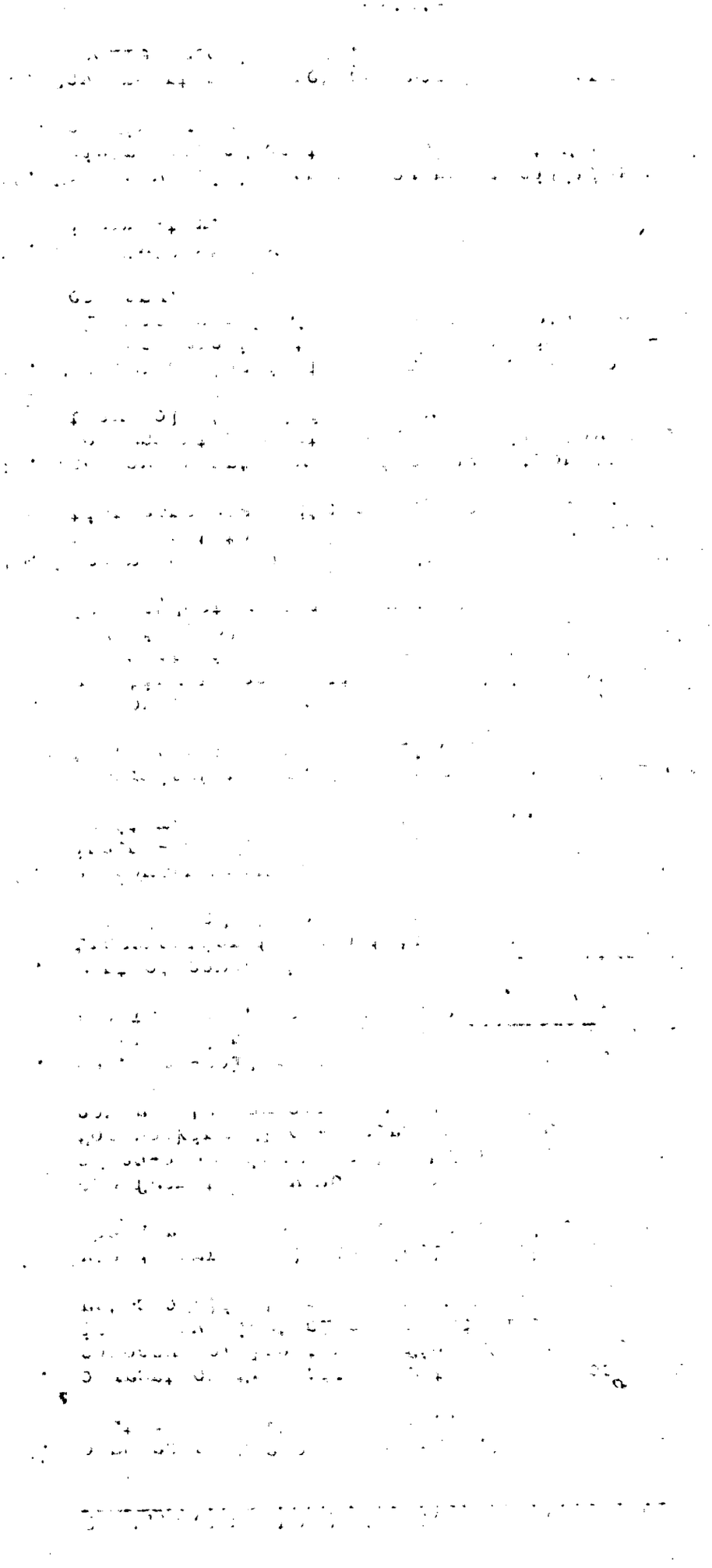

Facts about the wool weaving Industry in Mysore State.

Estimates strength of flock in Mysore State ...	...	28,00,000 sheep
Production of wool per year	...	28,00,000 lbs or 1,12,000 maunds.
Per clipping for one season or six months ...	...	14,00,000 lbs or 56,000 maunds.

The shearing is done entirely by Kurubar weavers.

There are 5,000 looms in this State, distributed in the following District as follows:-

Tumkur ...	2,000	looms,
Mysore ...	1,000	"
Chitaldrug	1,500	"
K o l a r.	500	"

The production of these looms comes up to 60 kamblies per loom for 8 months per year, the other four months being occupied for shearing work.

That is 60 X 5,000 - 3,00,000 kamblies each weighing 4 lbs. or 12,00,000 lbs. including wastage is being locally consumed by Hand-looms. The rest is being exported and consumed by the Local Mills.

--:o:--

The proposed company operates on the following lines:-

1. Improvement of the quality and the quantity of wool by supplying for hybridization the pure breeds such as Merino, Australia, Newzeland and Rajaputana rams.

2. The encourage the production of pure white races by segregating the black and brown varieties gradually.

3. After doing facilities to the flock owners for the above and arranging for the purchase of wool for them in bulk at market rates as also for the economical clipping of their heards by employees of the company staff and this increase their earnings for maintaining good flocks. (This idea is explained eloberately in a separate note).

4. To extend operations for the manufactures of these wools through the Kurubar weavers who are at present wholly dis-organised.

5. To make arrangements for consuming locally all the wool that is produced in the State by giving employment to more weavers who have at present deserted their heriditary profession. In other words to stop export of wool from the State and thus helping the hand-loom weavers to earn a steady income from the industry.

6. To develop the technique of the hand-loom weaver in the State by enabling to make rugs, fine coatings, shawls and druggets to suit the modern tastes and stop imports from outside in these lines and to arrange for an organized marketing of these products eliminating the middle-men and giving the benefit of this to the workers engaged in the Industry.

--:o:--

OBJECTS AND PROPOSALS OF THE COMPANY.

The Company's operation will extend to the shearing and purchase of the wool from the Rearers of Sheep.

This at present is being done as follows:-
The flock owner gets his wool clipped from the Weaver. The size of flock generally varies between 80 to 100 sheep. The yield of wool per year from this flock varies between 80 to 100 lbs. or 4 maunds per year. The clipper of the weaver gives for this quantity of wool only Rs.5/- in cash or two kamblies and pockets the value of Rs.7/- at Rs.3/- per maund at present market rate. This at present is his profit for shearing and purchasing wool in two seasons extending over. If the company undertakes this operation with the help of its own staff, it will stand to gain this profit also. But, the company's object is to give the benefit of this service of clipping and better breed of Rams to the flock owners so that they are drawn into the Company's fold to became members as Share-holders. The weavers will be given a steady employment at a fair wage about annas 8 per day for a family of one spinner and Weaver.

--:o:--

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. D 2375 / Dv 149-39-4

Dated, Bangalore, 7th November 1939.

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Development Department.

To

S. Nijalingappa Esq., B.A.,LL.B.,
Chitaldrug.

Sir,

Subject:- Grant of facilities to the Mysore Sheep Breeders and Woollen Industries Association.

- - - - -

With reference to your petition dated 31st August 1939 addressed to the Dewan of Mysore requesting the grant of certain facilities for the floatation of the Sheep Breeders and Woollen Industries Association on joint stock basis, I am directed to inform you that Government regret their inability to participate in the scheme. They will however be glad to grant the company, if successfully established a free site, if available, and purchase the products of the companies if the quality and price are satisfactory.

Yours faithfully,

(Sd.) P.H.Krishna Rao.

For Secretary to Government,
Development Department.

Memo No. D 2376

Copy of the above is forwarded with compliments to the Director of Industries & Commerce for information with reference to correspondence ending with his letter No.A1-40/39-40 dated 22nd October 1939.

By Order,

For Secretary to Government,
Development Department.

S/3.

Appendix F G—1]

SUBJECT.....

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Section 9 RC

File No. 149-39

Serial No. 4

Diary No. of letter replied to.....

No. D 2375

To

S. Nijalingappa Esqr BA BL
Chitaldrug

General and Revenue Secretariat

( )

the *193*

Date of issue 8/11/

Signed by Mr George Mathan

Sir,

Subj: Grant of facilities to the Nagara Sheep Breeders and Woollen Industries Assn.

With reference to your petn dt 31-8-39 addressed to the Dewan of Mysore requesting the grant of certain facilities for the starting of the Sheep Breeders and Woollen Industries Association on joint stock basis, I am directed to inform you that Govt regret their inability to participate in the scheme. They will however be glad to the Company, if successfully established a free site, if available, and purchase the products of the Company if the quality and price are satisfactory.

List of enclosures.....

Copied by.....

Examined by.....

D 2376

Copy to the Dis. Dvc for information with reference to correspondence ending with his letter No. A1-cp/39-cd dt 22-10-39.

WD 0563—GPB—30,000—6-1-39

8/11/39

for Secretary